



KANSAS EDI RELEASE I IMPLEMENTATION GUIDE

For reporting
First (FROI) and Subsequent (SROI) Reports of Injury

Version 2.0

For Implementation on July 1, 2005

Kansas Department of Labor
Workers Compensation

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Original Release and Revisions

The Kansas EDI Release I Implementation Guide was originally released on July, 14 2003. This revised version was published on July 1, 2005. To report any errors for correction, please contact the EDI Project Manager, KDWC, 800 SW Jackson, Suite 600, Topeka, KS 66612-1227; telephone number 785.296.4120.

Summary of Changes: (07-01-2005):

Page 51 - FROI Element Requirement Table

MCO designations for the following Data Elements have been changed:

- DN25 Industry Code on the Acquired/Unallocated FROI changed from "M" mandatory to "C" conditional

Page 52 - SROI Element Requirement Table

MCO designations for the following Data Elements have been changed:

- DN55 Number of Dependents on the Full Salary SROI changed from "C" conditional to "N/A" not applicable
- DN55 Number of Dependents on the Compensable Death SROI changed from "O" optional to "N/A" not applicable
- DN86 Payment/Adjustment Paid to Date and DN87 Payment/Adjustment Weekly Amount on the Final (FN) SROI changed from "M" mandatory to "C" conditional

Pages 53, 54, and 55- Data Element Requirements Conditional Statements Table revisions:

- The conditional statements for DN05 Agency Claim Number on the FROI, DN055 Number of Dependents on the FROI, DN056 Date Disability Began on the FROI, DN057 Employee Date of Death on the FROI, have been revised for clarification purposes only, no new conditions have been added.
- The conditional statements for DN061 Wage, and DN062 Wage Period were removed from the "First Report Date Requirement Conditional Statements" and placed into the "Subsequent Report Data Requirement Conditional Statements" where they belong.
- DN055 Number of Dependents on the SROI, DN056 Date Disability Began on the SROI, DN072 Date of Return/Release to Work on the SROI, DN095 Paid To Date/Reduced Earnings/Recoveries Code, and DN096 Paid To Date/Reduced Earnings/Recoveries Amount have been revised for clarification purposes only, no new conditions have been added.

Page 65 – Kansas Transaction Sequencing Requirements (Edit 063) Table revisions:

- Moved the Acquired/Unallocated report (AU) from reject column to the allow column if last submitted FROI was a "00" Original Report of Injury
- Moved the Annual report (AN) from the reject column to the allow column if last submitted FROI was a "04" Denial
- Moved the AU from the allow column to the reject column if last submitted SROI was a "04" Denial
- Moved both the Acquired Payment (AP) and AN reports from reject column to the allow column if the last submitted SROI was a "04" Denial

Pages 67 & 68 - Edit Matrix Table

Edits for the following FROI Data Elements have been changed:

- For DN05 Agency Claim Number Edit 57 "Duplicate Transmission / Transaction" (TR) applies to all FROIs except the 00 Original, 04 Denial, and AU Acquired/Unallocated reports
- For DN07 Insurer Name Edit 30 "Must be Alpha-Numeric (0-9, A-Z)" (TR) removed and Edit 58 Code/ID invalid (TR) defined as 0-9 A/N and the special characters: ' , . # () - & ! @ / \ ; : substituted on all FROI reports (see Edit Table Comments page 75 as well)

- For DN09 TPA Name Edit 30 "Must be Alpha-Numeric (0-9, A-Z)" (TR) removed and Edit 58 Code/ID invalid (TR) defined as 0-9 A/N and the special characters: ' , . # () - & ! @ / \ ; : substituted on all FROI reports (see Edit Table Comments page 75 as well)
- For DN15 Claim Administrator claim number, Edit 100 "No leading and Embedded Spaces" (TE) has been removed from all FROI reports
- For DN18 Employer Name Edit 58 Code/ID invalid 0-9 A/N defined as 0-9 A/N and the special characters: ' , . # () - & ! @ / \ ; : was added on all FROI reports (see Edit Table Comments page 75 as well)
- For DN42 Social Security Number, Edit 39 "No Match on Database" was changed from (TR) to (TE) for all FROIs except for 00 Original, 04 Denial, and AU Acquired/Unallocated

Pages 69, 70, and 71 - Edit Matrix Table

Edits for the following FROI and SROI Data Elements have been changed:

- For DN43 Employee Last Name Edit 30 "Must be Alpha-Numeric (0-9, A-Z)" (TR) removed and Edit 58 Code/ID invalid (TR) defined as 0-9 A/N and the special characters: ' , . # () - & ! @ / \ ; : substituted on all FROI reports (see Edit Table Comments page 75 as well)
- For DN44 Employee First Name Edit 30 "Must be Alpha-Numeric (0-9, A-Z)" (TR) removed and Edit 58 Code/ID invalid (TR) defined as 0-9 A/N and the special characters: ' , . # () - & ! @ / \ ; : substituted on all FROI reports (see Edit Table Comments page 75 as well)
- For DN04 Jurisdiction Edit 57 "Duplicate Transmission / Transaction" (TR) has been removed from all SROIs
- For DN06 Insurer FEIN Edit 59 "Value Not Consistent With Previous Report" (TR) applies to all SROIs except for the Correction and Change (02) reports
- For DN08 Third Party Administrator FEIN Edit 59 "Value Not Consistent With Previous Report" (TE) applies to all SROIs except for the Correction and Change (02) reports
- For DN72 Date Return To Work and DN70 Date Maximum Medical Improvement Edit 37 "Must be <= MTC Reason Code Date" was completely removed for both the Initial Payment and Acquired Payment reports
- For DN76 Date of Representation Edit 37 "Must be <= MTC Reason Code Date" was removed for all SROIs

Page 79- FROI and SROI Match Routine

The FROI with Agency Claim Number and SROI match routines were clarified:

If FROI with Agency Claim Number begin Match: [FROI such as Cancel, Denial, AU]

Primary:

- ☐ Agency Claim Number (is the state's primary Unique ID)
- ☐ Claim Administrator Claim Number
- ☐ If Duplicate, Perform Secondary & Third Match else Report Process
- ☐ Match "SSN" and "DOI" to verify Match or Identify duplicates as part of secondary match process

If SROI (all must have Agency Claim Number) begin Match

Primary:

- ☐ Agency Claim Number (is the state's primary Unique ID)
- ☐ Claim Administrator Claim Number
- ☐ If Duplicate, perform Secondary; else Report Process
- ☐ Match "SSN" and "DOI" to verify Match or Identify duplicates as part of secondary match process
- ☐ No third-level match process for SROI reports

Page 103- KDWC Test and Production Process- Exemptions from full FROI/SROI testing has been articulated in the Implementation Guide:

All KDWC trading partners who voluntarily participate in Kansas EDI are scheduled for testing on a first come first served basis and are required to complete the full test program. Trading Partners who do not use an approved data transport method must either secure such services or seek approval of their data transport method in accordance with the technical competency requirements referenced above. Please note that all programming and associated costs will be borne by the Trading Partner and that passing extensive technical and business competency testing is required.

Exemption from Testing: the Division's exemption testing policy is as follows:

As stated on page 101, Trading Partners who use an approved data transport method with demonstrated competence reporting to another WC jurisdiction using IAIABC EDI Release 1 standards **may** be required to send only one test file to KDWC to validate connectivity.

If a trading partner is in production with at least one other Release 1 state and using an approved experienced EDI vendor's compliance reporting system (Compliance Reporting System is comprised of data capture, data validation and data transport) in that state and plan to use the same vendor compliance reporting system in Kansas then the trading partner is only required to complete the technical capability testing, and is not required to pass the FROI/SROI business content testing.

From the vendor's point of view, if they are sending data on behalf of a client in one Release 1 state (in production) and that client wants to do the same for their reporting in Kansas they are only required to complete the technical capability test to establish connectivity (one original FROI including Header Record with Test/Production indicator of T, the "00" Original FROI, and Trailer Record). Vendor's client will not be required to proceed through the FROI/SROI business content testing. Once connectivity has been established client will be moved into production status. **Please note, the Division allows exemption to testing on the assumption that the vendor's testing with each client on data capture, data validation and data transport has built-in checks and balances that render additional testing redundant. If this proves not to be the case the Division will require full testing for each vendor client.**

A list of vendors* is available on the Kansas Department of Labor, Workers Compensation EDI web site. The list is comprised of EDI vendors currently submitting workers compensation claim reports in other jurisdictions and who have proven technical and business capability to comply with the Kansas EDI Implementation Guide. This list is for informational purposes only and KDWC does not endorse and/or recommend the services of any one vendor.

Refer to the IAIABC, and other EDI standard setting organizations for additional EDI vendors.

* Please note that WC Reporting Products typically use an approved Data Transport vendor and meet IAIABC electronic record requirements, and varying levels of data editing and compliance with other EDI business rules.

Page 110- Ongoing Monitoring of Production Status (Guidelines for Implementing the 85-15 EDI Quality Compliance Standard) was revised to the following:

The KDWC EDI business content data quality requirement is referred to as either the **85-15 standard**, or the **85-15-80 standard**. Because the 80% portion of the standard refers only to TE corrections (corrections of reports receiving a TE acknowledgment) and not TR replacements (replacements for reports receiving a TR acknowledgment), the standard as it applies to TAs, TEs, or TRs will be referred to as the 85-15 standard.

- A minimum of 85% of a specified set of transactions are accepted with a TA or TE status
- No more than 15 % of a specified set of transactions are rejected with a TR status
- A minimum of 80% of those transactions accepted with a TE status, within the specified set of transactions, have been corrected by submission of a correction transaction (CO) which itself receives a TA status.

For trading partners in production status, the 85-15-80 standard must be met each quarter. Trading partners are defined as an insurance carrier, self-insured employer, group-funded pool, or third party administrator responsible for submitting claim reports electronically to the Kansas Division of Workers Compensation (KDWC).

Procedures for Implementing the 85-15 Standard

- (1) Once every quarter, KDWC will use a combination of Claims Harbor management reports, error reports, and division database queries, to monitor trading partner performance against the Kansas quality standard (the 85-15 rule).
- (2) The 85-15 standard will be applied by measuring the combined percentage of TA and TE acknowledgments for all transactions over five batches, per trading partner, within the quarterly reporting period context.
- (3) Those trading partners that fail to meet the standard will be temporarily classified as being in non-compliance status and will be monitored on a monthly basis until they meet the 85-15 standard.
- (4) The 80% correction standard will be applied by measuring how many CO transactions sent in response to TE acknowledgments were received within the time frame established in the Claims Event Table (5 days) during the quarterly reporting period. An alternative method may be used in cases where a pattern is detected that a small percentage of the errors on single transactions are corrected on each of a series of CO transactions submitted in response to the single transaction. In such cases KDWC may measure the number of times the trading partner takes to get a transaction to TA status from the first TE (no matter how many COs it takes). The 80% rule will apply to the ratio of the number of corrections needed, to get a single transaction to a TA, to the number of errors in the initial transaction.
- (5) Disciplinary compliance procedures will be invoked if the trading partner repeatedly fails the 85-15-80 standard.

Page (formerly 116) Appendix 1- EDI Vendor List:

- The list of EDI vendors has been removed from the Implementation Guide and is now available only on the Kansas Department of Labor, Workers Compensation EDI web site.

Pages 116-128 Appendix - Transaction Examples:

- There were inaccurate data element requirements on several of the transaction example which have now been corrected.

Foreword

Legislation Authorizing Electronic Data Interchange

The Kansas Division of Workers Compensation (KDWC), of the Department of Labor, has compiled this updated version of the Kansas Electronic Data Interchange (EDI) Implementation Guide (EDI Guide). The EDI Guide provides information necessary to implement legislation (H.B. 2729) signed by Governor Graves in 2002 authorizing EDI as an alternative method of reporting data equivalent to the K-WC 1101-A Employer's Report of Accident Form and the Kansas Closed Claims (CCS) study.

Prior to the legislation authorizing EDI reporting, Kansas employers were required to report work-related injury or occupational disease information to their insurance carrier or third party administrator and to the KDWC using the Employer's Report of Accident, K-WC 1101-A, paper form. Specifically, Kansas Statutes Annotated (K.S.A.) 44-557(a) requires:

“every employer to make or cause to be made a report to the director of any accident, or claimed or alleged accident, to any employee which occurs in the course of the employee's employment and of which the employer or the employer's supervisor has knowledge, which report shall be made upon a form to be prepared by the director, 28 days, after the receipt of such knowledge...”

Additionally, insurance carriers or third-party claim administrators (TPA), and the self-insured (including group-funded workers compensation pools) were also required to report claims data to KDWC via the Division's proprietary Open & Closed claims software when participating in the study. K.S.A. 44-557a(c) mandates the Director of Workers Compensation *“to conduct studies of closed claims under the workers compensation act”* and to seek advice in order to *“make valid statistical conclusions as to the distributions of costs of workers compensation benefits.”* The statute also specifies that the Director shall *“compile and publish statistics to determine the causation of compensable disabilities in the state of Kansas... [and] determine the effectiveness of the workers compensation act to provide adequate indemnity, medical and vocational rehabilitation compensation to injured workers and to return injured workers to remunerative employment.”* The expectation of the Division's Closed Claims (CCS) Study is that the data collected will provide a foundation upon which to construct meaningful statistical conclusions about the costs of and important characteristics associated with workers compensation claims in Kansas.

Under the new legislation, self-insured employers, group-funded pools, insurance carriers, and third party administrators have the option to submit data equivalent to the K-WC 1101-A and CCS Study information in electronic format to the KDWC in accordance with KDWC requirements contained in this Implementation Guide based on the International Association of Industrial Accident Boards and Commission's (IAIABC) Release 1 Electronic Data Interchange (EDI) standards. K.S.A. 44-557a (b) was amended, with respect to EDI, to include the following:

“Unless provided by regulations to the contrary, on or after January 1, 2004, any insurer, group-funded workers compensation pool or self-insured employer who voluntarily submits claim information to the director pursuant to release 1 of the international association of industrial accident boards and commission's electronic data interchange implementation guide dated August 9, 1995, and amendments thereto, up to April 1, 2002 shall be deemed to be in compliance.”

Because participation in the KDWC EDI program is voluntary, KDWC will continue to accept the current K-WC 1101-A paper form and OCC reports until further notice. KDWC encourages the statutory authorized alternative EDI method for reporting accident & claim information to KDWC.

KDWC requires that a report be submitted if a work related accident or occupational exposure that results in personal injury or illness *"sufficient wholly or partially to incapacitate the person injured from labor or service for more than the remainder of the day, shift or turn on which such injuries were sustained"* (K.S.A. 44-557); or requiring medical treatment or care by a medical provider other than first aid administered at the site of accident or occurrence.

K.S.A. 44-557(a), however, merely sets the statutory floor for when a First Report of Injury **must** be reported to the state. However, all insurance carriers, third party administrators, or self-insured employers, and group-funded pools **may** send a First Report for any accident that does not meet the statutory threshold to require a report of the accident. KDWC strongly encourages report of any and all work related injuries regardless of lost time.

Beginning in July 2003, insurers, self-insurers, or TPAs acting on their behalf, began the testing process with KDWC and the program was implemented in November 2003.

Please note:

Participation in the KDWC EDI program requires adherence to all applicable reporting and KDWC data quality requirements set out in this Implementation Guide.

Penalties and Fines

The Division's policy is that all trading partners utilizing the electronic data interchange option allowed under K.S.A. 44-557a(b), regardless of inclusion in the Closed Claims study, and that have agreed to the conditions of the trading partner agreement shall submit **all** original and subsequent reports of injury specifically listed in the KDWC EDI event table in the implementation guide. Failure to submit required EDI reports and/or to meet the data quality threshold standards set out in the sections on *Data Quality Requirements for Business Content Test Files* and *Ongoing Monitoring of Production Status* will result in the trading partner being moved back into testing status and eventually forfeiting the opportunity to file EDI reports to meet their statutory obligations, and subsequently, may be subject to penalties for non-compliance stated below.

Under the Kansas Workers Compensation Act failure to file injury reports and claims data specified under K.S.A. 44-557 and 44-557(a) to the Director subjects reporters to different financial penalties depending upon whether the information required relates to an original or subsequent report of injury. K.S.A. 44-557(d) states that "the repeated failure of any employer to file or cause to be filed any report required by this section shall be subject to a civil penalty for each violation of not to exceed \$250." The Division has adopted by regulation (K.A.R. 51-9-17) that claim information submitted pursuant to K.S.A. 44-557a and amendments thereto according to the Kansas Implementation Guide's first report of injury, commonly called "FROI 00", shall be considered the filing of an accident report pursuant to K.S.A. 44-557 and amendments thereto, and the information shall not be open to public inspection except as provided in K.S.A. 44-550b and amendments thereto. Subsequently, the Division may apply the fining provisions of 44-557(d) to EDI trading partners that fail to file IAIABC FROI 00 within 28 days of the employer's first knowledge of the accident.

For subsequent reports of injury on claims costs and characteristics K.S.A. 44-557a requires that *"[i]n order to further the purpose of subsection (a), each self-insured employer, group-funded workers compensation pool, and insurance carrier shall submit to the director the disposition of a statistically significant sample closed claims under the act" and in section (f) that "[i]f a self-insured employer, group-funded workers compensation pool, or insurance carrier fails to supply the information required by this section, the director shall issue and serve upon such person a summary order or statement of the charges*

with respect thereto and a hearing shall be conducted thereon in accordance with the provisions of the Kansas administrative procedure act. An administrative penalty of up to \$500 for each violation or act, along with an additional penalty of up to \$100 for each week thereafter that such report or other information is not provided to the director shall be imposed.” Therefore, the Division may apply the fining provisions of 44-557a(f) to EDI trading partners that fail to file IAIABC SROI reports, in lieu of their claims study reporting obligations, within the number of days specified in the Kansas EDI Implementation Guide.

EDI Implementation Assistance

This Guide, when used in conjunction with the IAIABC Release 1 EDI Implementation Guide, provides the business and technical information necessary to meet KDWC alternate reporting requirements for

- EDI submissions to KDWC
- The paper equivalents that ***may*** be submitted to KDWC or exchanged between insurers, employers, claim administrators, injured workers, and others entitled to this information.

EDI technical and business reporting competency testing is required of each KDWC insurer, self insurer, group funded pool, or a TPA acting on their behalf (KDWC Trading Partner) prior to approval by KDWC of ***production*** status. Achieving “Production” status is required before implementing the EDI alternative reporting requirements in the Trading Partner’s business operations. This implementation guide provides the testing requirements, process and information regarding the KDWC EDI coordinator who will assist you through the testing process.

Upon implementation of EDI production transmission, filing of the K-WC 1101-A Employers Report of Accident to KDWC from employers, insurers, or claim administrators will no longer be required.

KDWC EDI reports must be sent through an approved EDI data transport method or vendor described in the Test and Production Process technical and business competency requirements. Please also see the “Submitting Options to Consider” and “Information and Help” section of this Guide and the IAIABC web site for more details (<http://www.iaiaabc.org>).

Required Implementation Date

As indicated above, the voluntary implementation date of the program began in November 2003. However, there are tasks that must be accomplished before EDI reporting is authorized to begin and use of the K-WC 1101-A Employers’ Report of Accident, reporting may be suspended.

Claim Administrators who are included in the annual Closed Claim Study (CCS) may suspend reporting of the CCS Report, if the following conditions are met:

1. They are authorized to report using EDI requirements (Production Status).
2. They submit a number of EDI “First report of Injury” (00) and “Annual” (AN) Reports equal to the number of requested CCS claims.
3. The Final Reports submitted in place of the CCS claims were open for at least one day in the prior year, and closed in that year.
4. They implement EDI sufficiently in advance to accomplish the above before the CCS May report due date.
 - Please note: Once a claim administrator implements EDI and has meet their CCS reporting quota that year, it will not be necessary to submit CCS reports again if EDI reporting requirements are met.

Use of Data Received through EDI

Data received through the Kansas Division of Workers Compensation EDI Reporting is available only to KDWC as required by the Kansas Workers Compensation Act. The KDWC has taken affirmative steps to require that the EDI vendor will assure the data security and confidentiality of the EDI process for the data received and processed by the vendor.

Acknowledgements

The Kansas Division of Workers Compensation wishes to thank all individuals and organizations including the insurance carriers, third party administrators, the self-insured employers and group-funded pools in the state of Kansas, the IA/ABC EDI committees, Claims Harbor (formerly Bridium Inc.), the Workers Compensation Advisory Council, Secretary of the Department of Labor Jim Garner, Workers Compensation Director Paula Greathouse, and information technology staff in the Department of Labor for their input and cooperation during the drafting and development of this implementation guide. KDWC especially wants to acknowledge and thank EDI consultants Jeff Snow and Sylvia Marek for their extraordinary advice and work on this guide and the EDI project; they truly have been essential to the success of this collaborative process.

Important Kansas EDI Terminology

The following definitions apply to the Kansas documents and EDI processes described in this Implementation Guide.

ADMINISTRATOR

Synonymous with Claim Administrator.

ANSI ASC X12

American Standards National Institute (ANSI), Accredited Standards Committee (ASC), X12 - is an organization that develops Electronic Data Interchange (EDI) communication standards. The "X" represents "Communications" and "X12" is the twelfth Communication Standards Committee under ASC. This organization is also referred to as "ANSI X12," "ASC X12" or just "X12" Also, see "X12N."

BATCH

A set of records containing one IAIABC Header record, one or more FROI or SROI transactions, and one Trailer record, or the ANSI equivalent. Any error in the Header record or the Trailer record will cause the rejection of the entire Batch without further transaction level edits being applied. A batch may not mix the 148 (FROI) and the A49 (SROI) transaction types together.

BUSINESS COMPETENCE

Refers to process by which the KDWC EDI Coordinator examines report data content to determine if it meets the quality standards of the KDWC. Business competence is demonstrated by the ability to submit FROI and SROI reports in the correct sequence and to pass the KDWC EDI System's edits for data content and values.

BUSINESS RULES

The business requirements that dictate when a report is created, edited, and when and how transmitted.

CARRIER

Another term used to reference an Insurance Company licensed to write Workers' Compensation and Employer's Liability Insurance in Kansas and a member of KDWC.

CLAIM ADMINISTRATOR

The organization that services workers' compensation claims according to jurisdiction rules. An Administrator may be an Insurer, a Third Party Administrator, an Independent Adjuster, a Self-administered Self-insured Employer, or Statutory Noninsured.

CCS

The statutorily required Closed Claims Study administered on an annual basis by the Technology & Statistics section of KDWC. K.S.A. 44-557a(c) mandates the Director of Workers Compensation "to conduct studies of closed claims under the workers compensation act" and to seek advice in order to "make valid statistical conclusions as to the distributions of costs of workers compensation benefits."

DATA ELEMENT

A single piece of defined information contained within a transaction (FROI or SROI). Each Data Element is assigned a reference number (DN - Data Number) and includes a definition and format (length and data type) and may, if it is a code, list acceptable values or reference the code source (for example, Employer FEIN is 15 AN).

DISA

Data Interchange Standards Association - is the Secretariat of X12. DISA manages the EDI standards database, arranges standards development meetings, and provides educational conferences and seminars.

EDI

(EDI) is the computer-to-computer exchange of data or information in a standardized format. In workers' compensation, EDI refers to the electronic transmission of claims information from Claims Administrators (insurers, self-administered self-insured employers, and third party administrators) to a State Workers' Compensation Agency.

EDITED DATA

A term used to describe the information on a transaction after it has been processed through the KDWC system edits and found to contain valid data.

ELECTRONIC FORMAT

A term used to refer to IAIABC EDI Release 1 and flat file or ANSI formats.

ENVIRONMENT

The boundary and conditions under which an application runs or in which files are manipulated or processed.

EVENT

A specific business occurrence, such as the occurrence of an accident, satisfying the waiting period, the initial payment on a claim, suspension of benefits, or the reinstatement of a benefit, etc. Such events, when entered into a computer system, may be defined as a trigger for a jurisdiction-required report.

EXPERIENCED EDI VENDORS

Experienced EDI vendor services include, at a minimum, responsibility for report transmissions and acknowledgements between the Sender and KDWC EDI System via KDWC recognized Value Added Networks (VANs) of IBM Global (Advantis) and AT&T. Vendor services and products often include the highly recommended features of pre-transmission data quality editing and management of EDI transmissions and acknowledgements. All experienced EDI vendors have demonstrated EDI competence in several IAIABC EDI states.

FROI

First Report of Injury – a group of transactions that occur at the early stages of claim processing that typically report the entities involved, and describes the accident and resulting injuries.

GROUP-FUNDED POOL

An association of employers that have under K.S.A. 44-581 “enter[ed] into agreements to pool their liabilities for Kansas workers compensation benefits and employer’s liability.”

IAIABC

International Association of Industrial Accident Boards and Commissions – an organization, whose members are industrial accident, workers’ compensation, or other governmental bodies as well as associate members comprised of other industry-related organizations and individuals.

IG

An abbreviation used to refer to an Implementation Guide.

KDWC

An acronym for the Kansas Division of Workers’ Compensation, the ultimate recipient of all FROI & SROI EDI submissions. Also, the direct recipient of any hard-copy K-WC 1101-A forms and OCC data submissions for reporting entities not utilizing EDI.

K-WC 1101-A

The Kansas Employer Report of Accident Form required by statute. K.S.A. 44-557 (a) requires “every employer to make or cause to be made a report to the director of any accident, or claimed or alleged accident, to any employee which occurs in the course of the employee’s employment and of which the employer or the employer’s supervisor has knowledge, which report shall be made upon a form to be prepared by the director, 28 days, after the receipt of such knowledge...”

MTC

Maintenance Type Code – a code that identifies the purpose of a transaction. The MTC (DN#2) is included in all EDI transactions. For example: “00” denotes the Original First Report of Injury. The “IP” denotes the Initial Payment.

PRODUCTION (STATUS)

A designation that a Trading Partner has completed all EDI implementation testing satisfactorily as determined by the KDWC EDI Test Coordinator and do not have to report data through either the paper K-WC 1101-A and/or OCC flat file.

RAW DATA

Refers to the transaction and its contents as it is received from a sender by the KDWC and before the data is subjected to the KDWC EDI System’s automated edits.

RECEIVER

The entity to which an EDI report is sent. The Receiver of Kansas Workers’ Compensation electronic claim reports is KDWC.

REPORTER

The entity required by law to file or may be allowed by law or regulation to file electronic claim reports for itself or on behalf of customers or clients. The Reporter is the Kansas Trading Partner.

SELF INSURED

An employer (including governmental entities) authorized by the Director of the Kansas Division of Workers Compensation to self-insure its obligations under K.S.A.44-532.

SENDER

An entity that forwards the Trading Partner's information in the IAIABC EDI Release 1 (or ANSI equivalent) format to and receives EDI acknowledgments from KDWC. This entity is required to complete the Trading Partner Profile.

SROI

Subsequent Report of Injury – a group of transactions that report claim processing changes to, or current totals of benefits paid on a claim.

TECHNICAL COMPETENCE

The ability to meet IAIABC Release 1 approved record format requirements and the use of an approved data transport method as defined in the following KDWC Implementation Guide sections: Communication Requirements, Kansas Policy for Additional External Connections, Network Requirements, Application Software Requirements, Processing Requirements, and Restrictions.

TEST PERIOD

The initial environment or phase in which the trading partner/sender/reporter sends a series of transactions that are analyzed for both the technical and business content.

TEST PLAN

A plan developed by the KDWC EDI Test Coordinator and the Sender's EDI Coordinator outlining the events, the time frame, and the responsibilities of each party for testing and evaluating data sent in the Test environment.

TPA

A Third Party Administrator that provides the claim administration services on behalf of Carriers, Self-insurers or group-funded pools.

TRADING PARTNER

A Carrier, Self-Administered, group-funded pool, or TPA responsible for submitting claim reports electronically to KDWC.

TRANSLATOR

Software that uses data conversion mapping rules to convert data from one format to another. Normally, for EDI processing, this term refers to a product that converts data between proprietary (not a national or industry standard) formats and X12 format. Refer to the Vendor section of this Implementation Guide for further information.

TRANSACTION

In this guide, a Transaction refers to one detail record (example FROI or SROI) and contains data elements as defined in the IAIABC record layouts, which are found in the IAIABC EDI Release I Implementation Guide. See MTC also listed in this Glossary.

TRANSACTION TYPE

Explains the purpose of a transaction. For example: Original FROI (00), Semi-Annual (SA).

TRANSMISSION FILE

One or more batches shipped together from the sender to the receiver.

VAN

A Value Added Network, VAN, is an organization that facilitates the exchange of data between trading partners by performing some or all of the following services: extended hours of operation (often 24 x 7), a mailbox from which EDI transactions may be sent or received, communication functions to monitor and assure successful data transfer, data recovery, and data security, etc.

X12N

X12N is the Insurance Subcommittee of ANSI that develops EDI standards for the insurance industry.

XML

XML stands for extensible markup language and is a data format utilized by the insurance industry.

Organization of Information in this Manual

This KDWC EDI Implementation Guide is being presented to you in a sequence we anticipate will match a claim administrator's interests and managerial responsibilities. The following synopsis of its sections may be of assistance.

The Background of State EDI Reporting Standards (page 18) is provided to convey that state EDI reporting originated as a claim administrator effort and that it continues today with states and claim administrators working together at the IAIABC. The goals are to:

- Simplify state reporting requirements through standardization,
- Assist states to manage their Workers' Compensation Systems, and
- Reduce state reporting costs.

The Executive Summary: Managing an EDI Implementation (page 19) is provided to draw attention to the various implementation tasks and options to consider.

Information and Help (page 21) is provided as a source for Kansas state assistance, KS's vendor's assistance, access to current information, related projects and topics, as well as other vendor and consultant services and options.

The Steps to Implement EDI (page 22) Refer to Specific Differences Between the EDI and the Current Kansas Reporting Process (KS DWC process; page 23) providing a base from which to understand the new requirements.

The Reports and Data Requirements (page 25) are presented in several stages:

1. Current KDWC 1101-A form with IAIABC data number notations indicate current data used in electronic reporting.
2. IAIABC paper forms and electronic data lists describe the First Report of Injury (FROI) and Subsequent (SROI) data requirements.
3. Cross-references for FROIs and SROIs provide an analysis of the requirements and relate the previous reporting methods to the new electronic reporting requirements.

This section identifies several data definitions that must be considered.

An introduction to EDI Reports and Claim Events (page 38) identifies situations in which the KDWC EDI reports are due. A table of KDWC events is provided.

The Approved EDI Formats (page 62) section describes the technical formats authorized by KDWC in business terms. (Technical data for the formats is provided in the IAIABC Release 1 Implementation Guide and again in the appendix of this Guide.)

Data Quality is a key philosophy of all EDI systems. EDI is an interactive relationship between your company and KDWC. Data you submit must pass KDWC Edits. The KDWC EDI system will acknowledge each Report (transaction) you submit. Transactions that fail must be resent. Data Errors must be corrected. The Data Edits (page 63) provide KDWC edit rules and an overview of how this process works. The Transaction Sequence Requirements (page 43) section expresses the order in which a claim administrator will submit reports to KDWC and the business events to which they correspond. Therefore, reports and transactions must be in the correct order of business events. Educational information to bridge claim administrator knowledge and EDI processes is provided throughout the guide.

The Reporting Process Functions & Options (page 80) section lists a combination of in-house and vendor EDI solutions. It includes several basic tips that will assist you to make the proper decisions for your company.

The KDWC EDI Trading Partner Process (page 86) section walks you through completing a Trading Partner Agreement and a Trading Partner Profile. The Trading Partner Agreement documents report and data requirements that the KDWC EDI program will expect from you. The Trading Partner Profile relays information that is used by KDWC and your system (or if you elect to use one to send your information, the vendor's system) to communicate electronically with each other. Therefore, your reporting option choices will determine some of the information on the Trading Partner Profile; option selections must first be selected.

The KDWC Test and Production Process (page 103) describes the procedure you will use in proving your technical capability, the quality of your data, and thereby, the elimination of paper reporting. You will be deemed out of compliance with the statutory requirements if the quality of your data in your EDI submissions falls below KDWC's data quality requirements even after you reach "production" status following your testing.

Background of State EDI Reporting Standards

A specific set of standards for workers' compensation reporting formats is now available. Kansas Division of Workers Compensation (KDWC) shares their objectives. Development of the standards began in 1989 when a group of national Claim Administrators worked with the North Carolina Workers' Compensation agency to develop the first state-accepted electronic Report of Injury. Their objective was to reduce state reporting administrative processes and costs. Their project was successful and provided almost immediate benefit to both the claim administrators and North Carolina.

Based on the success of the North Carolina project, the participants set out to duplicate the process in other states. Many changes to the North Carolina model were needed. State reporting had to be considered in the broadest terms instead of by state or locality. The group continued to meet under the International Association of Industrial Accident Boards and Commissions (IAIABC) umbrella unofficially to satisfy antitrust requirements.

This group identified several major categories of Claim Administrator and Employer Reports and when state-required reports were to be submitted, it identified which data was required. This allowed creation of a data element dictionary and a reporting event table that could be used by any state and which was based on the claim administrator claim handling process. The developers used existing and widely used data standards to leverage system enhancements implemented by many claim administrators and state administrators. As a result, the group reduced numerous data elements and reporting situations into a more concise data list and a manageable set of reporting conditions that would meet the needs of most states.

The initial process took several years to accomplish. Its success is attributable to the state and claim administrator participants who painstakingly and patiently reviewed state requirements and claim administrator processes that benefited both parties. Their work continues today to expand the use of these EDI standards. As state participation grew, these copyrighted standards are now available from the IAIABC. Contact the IAIABC at (608) 663-6355 or visit their web site at <http://www.iaiaabc.org> to acquire a copy of the standards, which may be downloaded from their site at no cost to you.

Executive Summary: Managing an EDI Implementation

If you are a Claim Administrator who has not been involved in fulfilling state Workers' Compensation electronic reporting requirements before, it may all seem foreign and totally technical to you. In reality, EDI, while it is all about business, does have two sides. It's about using data that originates in your claim handling processes to meet jurisdictional reporting requirements. Ideally, it shifts report generation from a manual process to an automated or software-assisted process. Therefore, your initial task is to assess the requirements, compare them to your manual and automated processes, and determine your best business solution. EDI does have a considerable technical or "Information Systems" component, but it is based on your business associations and business processes.

The technical side of EDI has three major components.

1. Your computer-based claim processing system where claim data is stored.
2. An EDI management system or a component that contains jurisdiction requirements:
 - a. The required report types,
 - b. When they are required,
 - c. When they are due,
 - d. Their data requirements,
 - e. Required edits,
 - f. The state's response to each report.
3. A system that manages the exchange of reports between your organization, states, your clients, etc.

Due to the differences between Claim Administrator claim handling processes and their computer systems, each administrator may have very different capabilities. Each must assess the best way to modify their claim handling process and determine how to implement the three technical EDI components. The solution may be to use your own technical staff to build the technical components, use a bridge or vendor system, or, if your volume is low, to subscribe to the KDWC web-based or Internet solution. Some may conclude that a mixture of in-house development and vendor products and services work best for them – others will conclude a different solution works best for them depending on the available services, the technology already in use, and cost constraints.

The following is a possible list of tasks to perform. The list is not intended to be all-inclusive or be in the optimal order. Its primary goal is to raise your awareness to allow your own managerial skills and insight to take over.

1. Determine if your company desires to participate in the KDWC voluntary EDI implementation which began in November 2003.
2. If you are interested in participating in the voluntary EDI program, acquire a copy of the "[IAIABC Release 1 EDI Implementation Guide](http://www.iaiaabc.org)" from the IAIABC web site (<http://www.iaiaabc.org>).
3. Develop a basic understanding of EDI and KDWC reporting requirements.
4. Scan the [Information and Help](#) (page 21) section.
5. Read the [Steps to Implement KDWC EDI Requirements](#) (page 22) to know what will be required of your claims process and electronic reports to KDWC.
6. Perform a high-level comparison of KDWC requirements against your current claim computer system capabilities.
7. Read the [Reporting Process Functions & Options](#) (page 80) for a review of the types of EDI vendor products and service options to consider.

8. Based on your high-level assessment of existing capabilities and EDI requirements, conceptualize how your organization might implement the various options and which solution might be the most appropriate.
9. Use your organization project development process to initiate a formal project proposal involving business and technical departments using the detailed KDWC business requirements. Be sure to scope the project to include anticipated related EDI projects.
10. Use the information resources to expand your knowledge of state EDI reporting.
11. Use industry meetings and other business contacts to identify claim administrators that have participated in the development of the standards or have successfully implemented EDI in other states. Inquire about how they implemented EDI and what they would do differently now. What were their experiences with building EDI solutions or with vendor products or services?
12. Determine and agree upon a Test Date with the Kansas EDI Testing Coordinator. Refer to the Testing Section of this Implementation Guide.
13. Complete and submit your Trading Partner Agreement form and your Trading Partner Profile to the KDWC EDI Test Coordinator at least two weeks prior to the first date of your scheduled Test Period.
14. Monitor the KDWC official web site for new information and requirements changes.
15. Attend training sessions given by KDWC.
16. Implement your EDI solutions and document all processes.
17. Train Claim and Technical personnel for their roles and duties.
18. Prepare and begin submission of Test processes with KDWC on the first date of your assigned Test Period.
19. Begin submission of Production Transactions on the approved Production date.
20. Monitor and update processes and train staff accordingly as any process issues occur.
21. Continue to check the KDWC web site periodically and participate in any KDWC EDI initiatives that may develop.
22. Pass your experiences along to help those who follow your organization into EDI.

Please refer to the Business / Technical Lead Task Summary at the conclusion of the sections describing the Kansas Reporting Requirements for a concise checklist of the required steps to implement EDI in Kansas.

Information and Help

KWC Official Web Pages	Web sites: http://www.dol.ks.gov/WC/HTML/wc_ALL.html http://www.dol.ks.gov/wc/html/wcedinews_DBR.html
KWC Staff Phone & E-Mail	Business and Technical Contacts: E-mail: david.sprick@dol.ks.gov or alan.stanton@dol.ks.gov Phone: 785.296.4120 Fax: 785.296.0839
KWC EDI Coordinator Contact Information	E-mail: ks_edi@claimsharbor.com Phone: 256.704.2021 Fax: 413.845.8238
KWC Contact Information for Business/Law/Regulations Issues and Questions	Division of Workers Compensation Attn: David Sprick 800 SW Jackson Suite 600 Topeka, KS 66612-1227 E-mail: david.sprick@dol.ks.gov Phone: 785.296.4120 Fax: 785.296.0839
IAIABC Web Address & Phone Number	Web Site: www.iaiaabc.org Phone: 608.277.1479 (Madison, WI)
Frequently Asked Questions	Web site: http://www.dol.ks.gov/wc/html/wcedifaqs_DBR.html
SIC Codes	U.S. Department of Labor Occupational Safety & Health Administration Standard Industrial Classification (SIC) System Search http://www.osha.gov/oshstats/sicser.html
NAICS Codes	U.S. Department of Commerce U.S. Census Bureau North American Industry Classification System (NAICS) http://www.census.gov/epcd/www/naics.html

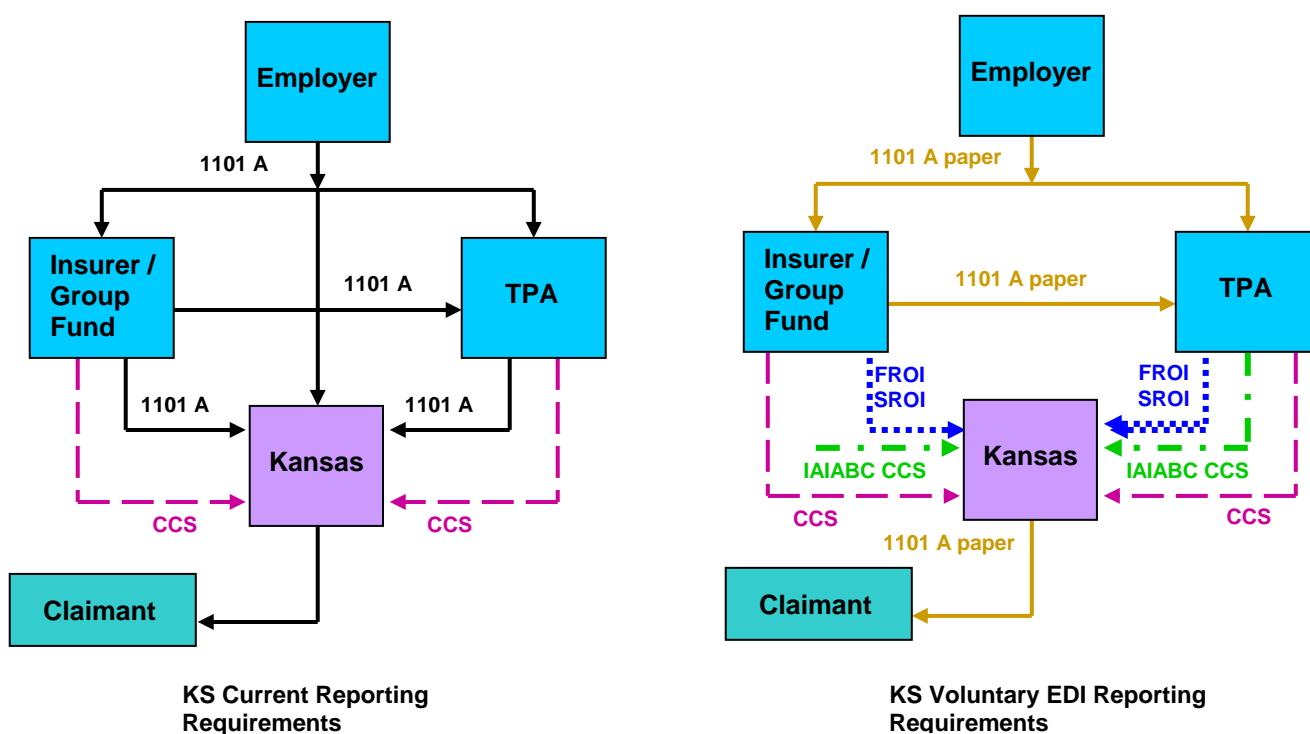
Steps to Implement EDI

Kansas EDI Requirements

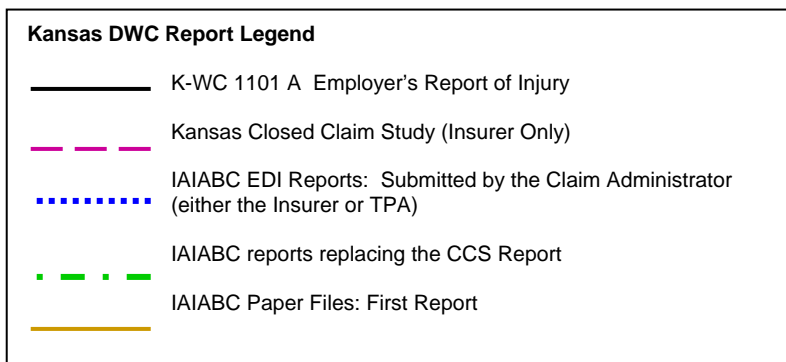
The objectives of this section are:

1. To convey the KDWC EDI Reporting requirements as clearly as possible.
2. To prepare you to assess your organization's capabilities and determine the best way for your organization to meet KDWC requirements.

Existing and EDI Reporting Process Comparison



KS Existing and EDI Reporting Comparison



Specific differences between the EDI and the current Kansas Reporting Process

This section summarizes the more significant changes so that you may better understand the transitional process.

Format:	Changes from Kansas paper K-WC-1101A Employers Report of Injury and Closed Claim Study proprietary flat file format to national standard electronic formats and acceptance of the IAIABC paper First Report of Injury as a file copy or provided to other authorized parties.
Data Content:	Is predominantly the same as existing KDWC requirements but expressed using IAIABC terminology and definitions to be consistent with national standards.
Methodology:	Requirements are stated in specific terms that allow computer processing so that Kansas and its employers and administrators may replace their manual reporting process with an automated process.
Effective:	EDI submissions of IAIABC FROI and SROI reports in Flat or ANSI formats beginning November 2003.

EDI Participant Specific Changes in Reporting

Current:	<p>Kansas employers, or claim administrators on their behalf, are responsible under the law to submit the paper K-WC 1101-A Employers Report of Injury to the KDWC.</p> <p>Employers may report the claim to the Insurer or TPA using the K-WC 1101-A, or proprietary approximation to their insurer or TPA.</p> <p>Insurers and TPAs may report the K-WC 1101-A on behalf of the employer.</p>
New:	Insurers and TPAs will report claims on behalf of the Employer via the IAIABC electronic flat or ANSI formats to KDWC.
Differences:	<p>Insurer/TPA:</p> <ol style="list-style-type: none"> 1. Stops reporting the K-WC 1101-A on behalf of the employer. 2. Begins reporting to KDWC using IAIABC FROI or SROI in flat or ANSI formats. 3. May provide a copy of the IAIABC First Report of Injury to the Employer using IAIABC flat, ANSI, or paper formats.

- Current:** Insurer may be included in the Closed Claim Study sample survey and report claim data using the proprietary CCS flat file record format.
- New:** Insurers included in the Closed Claim Study sample survey may use the equivalent IAABC First Report of Injury and Annual reports.
Insurers may continue to report claim data using the proprietary CCS record.
- Differences:** Insurers included in the CCS survey sample may choose the reporting format to report claims for the Closed Claim Study.
- Current:** KDWC provides a copy of the K-WC 1101-A to the claimant upon written request.
- New:** KDWC may provide a copy of the K-WC 1101-A, or a copy of the IAABC First Report of Injury to the claimant upon request.
- Differences:** KDWC may provide the claimant with either a copy of the K-WC 1101-A or IAABC paper First Report of Injury or facsimile.